COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 2, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVE THE ATTACHED APPROPRIATION ADJUSTMENTS TO TRANSFER FUNDS FROM VARIOUS FIRE DISTRICT BUDGET UNITS TO THE FIRE DISTRICT'S SUPPORT SERVICES AND OPERATIONS BUDGET UNITS; AND APPROVE THE INCREASED CONTRACT AUTHORITY FOR THE DISTRICT'S PROPERTY MANAGEMENT SERVICES CONTRACTS (ALL DISTRICTS) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Approve the Appropriation Adjustment (Attachment I) to transfer $3.1 million from the various Fire District Budget Unit appropriations and the appropriation for contingency cancelled commitments into the Fire District's Support Services Bureau Budget Unit appropriation in order to fund rising fuel, utilities, construction material and labor costs.

2. Approve an increase to our contract authority for the District's property management services contracts from $6 million to $7 million.

3. Approve the Appropriation Adjustment (Attachment II) to transfer $6.7 million from various Fire District Budget Units to the Fire District's Operations Budget Unit Salaries and Employee Benefits appropriation in order to fund increased overtime costs due to the deployment of staff to assist with the rescue and recovery efforts related to Hurricanes Katrina and other major emergencies.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations now before your Board will ensure adequate funding for the Support Services and Operations Budget Units to address the increases in expenditures noted below. Funding for this appropriation is available within the District's overall budget as a result of savings from other District Budget Units.

Support Services Budget Unit

The District is responsible for an ongoing Property Management Program, which provides repair and maintenance to over 160 fire stations and administrative sites located throughout Los Angeles County, including any construction related to the transition of new fee-for-service cities into the District. The District is also responsible for the full administrative, repair and maintenance of its emergency apparatus and support vehicles, including the purchase of fuel. Due to rising costs of both property management and fuel, the total appropriation request for the Support Services Budget Unit is $3.1 million.

- Property Management
  The rising costs in utilities, construction materials and labor, and the La Habra transition costs require $1.5 million in additional appropriation request to meet the District's property management commitments for the fiscal year.

- Fuel
  As fuel costs have continued to rise, an additional $1.6 million is needed to meet these projected costs for this fiscal year.

In addition, the District is requesting an increase to the current Board-approved annual contract authority from $6 million to a total of $7 million for property management services in order to address cost increases.

Operations Budget Unit

The District is requesting for a $6.7 million appropriation adjustment in the Operations Budget Unit to address our projected shortfall in salaries and employee benefits appropriation by fiscal year-end. This shortfall is primarily due to unanticipated overtime costs incurred in responding to major emergencies.

At the end of August 2005, the District activated California Task Force 2 and deployed rescue teams in answer to the nationwide call for assistance with devastation left by Hurricane Katrina. In September 2005, the District also sent staff to the New Orleans area as part of the

Los Angeles County Advance Team and the Swiftwater Rescue Team. As a result of our recovery, rescue and rehabilitation efforts in response to Hurricane Katrina and other major emergencies, we incurred extensive overtime costs for the months of August through October 2005.

The District incurred about $8.2 million more in overtime costs for those months compared to the previous fiscal year, with the majority incurred by personnel in the Operations Bureau. Savings in various salaries and employee benefit accounts within the Operations Budget Unit are available to offset the additional overtime expenditure, leaving a net appropriation adjustment of $6.7 million.

The majority, if not all the overtime costs incurred for Hurricane Katrina and other disasters are eligible for reimbursement through the Federal Emergency Management Agency. The District is currently working on these claims.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the County's Strategic Goal #4 for Fiscal Responsibility and Goal #8 for Public Safety.

FISCAL IMPACT/FINANCING

With your Board's approval of the attached Appropriation Adjustments, sufficient funding will be available in the District's Support Services and Operations Budget Units to address the projected appropriation needs for the fiscal year. Funding is available within the District's overall budget. There is no impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Chief Administrative Office and Auditor-Controller have reviewed the recommended action.

IMPACT ON CURRENT SERVICES

Approval of these recommendations will ensure the District's ability to provide effective and essential levels of public safety to the residents of Los Angeles County.

CONTRACTING PROCESS

Not applicable.

CONCLUSION

Upon approval by the Board of Supervisors, please instruct the Executive Officer to return adopted copies of this letter to:

1. Consolidated Fire Protection District of Los Angeles County
   Financial Management Division
   5801 S. Eastern Avenue, Suite 130
   Commerce, CA 90040
   Attention: Helen Jo, Chief, Financial Management Division

2. Consolidated Fire Protection District of Los Angeles County
   Materials Management Division
   5801 S. Eastern Avenue, Suite 100
   Commerce, CA 90040
   Attention: James Ealey, Chief, Materials Management Division

Respectfully submitted,

P. MICHAEL FREEMAN

PMF:yh

Attachments

c: Chief Administrative Officer
County Counsel
Auditor-Controller

Attachment 1

BOARD OF SUPERVISORS OFFICIAL COPY

76R 352M 11/83

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 390-10

DEPARTMENT OF FIRE

April 19, 20 2006

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTE
Fiscal Year 2005-06

SOURCES:

Fire Department
Financing Elements
Services & Supplies
DAI-FR-40109-2000
$1,350,000

Fire Department
Appropriation for Cancelled
Commitments & AP's
DAI-FR-40100-3306
$1,750,000

USES:

Fire Department
Support Services
Services & Supplies
DAI-FR-40191-2000
$3,100,000

The Appropriation Adjustment is necessary to fund rising fuel, utilities, construction materials and labor costs.

Theresa Barrera

THERESA BARRERA, ASSISTANT CHIEF, FMD

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION

RECOMMENDATION

AUDITOR-CONTROLLER BY

No. 19

APPROVED AS REQUESTED AS REVISED

19

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): 19
BOARD OF SUPERVISORS

BY

DEPUTY COUNTY CLERK

SEND 4 COPIES TO THE AUDITOR-CONTROLLER

Attachment 11

BOARD OF SUPERVISORS OFFICIAL COPY

76R 352M 11/83

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 390-09

DEPARTMENT OF FIRE

April 19, 2006

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4-VOTE
Fiscal Year 2005-06

SEE ATTACHED FOR DETAILS

The Appropriation Adjustment is necessary to fund increased overtime costs due to the deployment of staff to assist with the recovery, rescue and rehabilitation efforts related to Hurricanes Katrina, Rita and others.

Theresa Barrera

THERESA BARRERA, ASSISTANT CHIEF, FMD

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION

RECOMMENDATION

AUDITOR-CONTROLLER BY

NO. 19

APPROVED AS REQUESTED AS REVISED

19

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): 19
BOARD OF SUPERVISORS

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

Attachment II

4-Vote
FY 2005-06

SOURCES:

Fire Department
Executive
Salaries & Employee Benefits
DA1-FR-40129-1000
$ 850,000

Fire Department
Administration
Salaries & Employee Benefits
DA1-FR-40111-1000
$ 700,000

Fire Department
Health Haz Mat
Salaries & Employee Benefits
DA1-FR-40177-1000
$ 350,000

Fire Department
Prevention
Salaries & Employee Benefits
DA1-FR-40161-1000
$ 1,850,000

Fire Department
Special Operations
Salaries & Employee Benifits
DA1-FR-40041-1000
$ 2,950,000

USES:

Fire Department
Operations
Salaries & Employee Benefits
DA1-FR-40215-1000
$ 6,700,000